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Lori H. Flanery
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TO: Constitutional Officers, Cabinet Secretaries,
All Agency Heads, and Fiscal Officers

FROM: Lori H. Flanery, Secretary
Finance and Administration Cabinet

DATE: March 28, 2012

SUBJECT: Closing Schedule – Fiscal Year 2011-2012

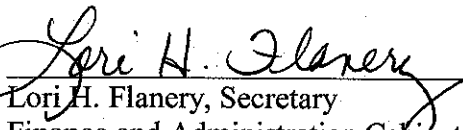
In accordance with KRS 45.229(2), the Finance and Administration Cabinet is legally required to close the old year accounts within thirty days of June 30. The schedule of closing procedures for fiscal year 2012 is attached. It includes the deadlines for final eMARS document approvals that apply to accounting, purchasing, budgeting, and personnel matters. It is important that all agencies comply with the document completion schedule and procedures outlined in this memorandum.

Purchases requiring EO1 approval must go before the Exceptions Committee; the last day to obtain Exceptions Committee approval for fiscal year 2012 documents is Thursday, June 7, 2012. The last date the Office of Procurement Services will accept EO1 forms from agencies is noon on Wednesday, June 6, 2012. The agency needs to allow sufficient time for EO1 approval and the normal procurement process. A copy of the APPROVED EO1 must be attached at the header of all procurement/payment documents.

During the closing period, it is important to segregate all transactions for goods and services received by June 30, 2012, from transactions for fiscal year 2013.

As part of the eMARS upgrade, Statewide Accounting Services will be opening up fiscal year 2013 in eMARS on Monday, April 9, 2012. This is a month earlier than normal. Agencies with departmental chart of account elements will need to perform any necessary updates to fiscal year 2012 and fiscal year 2013 after this date through the close of fiscal year 2012.

Deadlines vary according to type of transaction. No deadline is earlier than Monday, April 2, 2012, and none is later than Thursday, July 19, 2012. All transactions for fiscal year 2012 must be accepted in the eMARS Accounting System by close of business, Friday, July 13, 2012. After Friday, July 13, 2012, all transactions will post to fiscal year 2013 and will be charged to fiscal year 2013 allotments, except those journal voucher documents necessary to close out fiscal year 2012.


Lori H. Flanery, Secretary
Finance and Administration Cabinet

March 28, 2012
Date

The Closing Schedule shows the responsibility for approval of eMARS documents, whether Agency, Statewide Accounting Services (SAS), Office of Procurement Services (OPS), Office of the State Budget Director (OSBD), or Department of Treasury (Treasury). This should facilitate agency knowledge of document due dates for final fiscal year 2012 approval. Additional comments follow the charts. **Remember that the last date to post fiscal year 2012 documents is Friday, July 13, 2012. Only CA, JV, JVA, JV2P, JV2IN, JV2T, JV2E, JV2R, JVBK, and JVC documents will be allowed to post in fiscal year 2012 after this date, and only with override approval from Statewide Accounting Services. ALL documents posting to fiscal year 2012 must be marked Final by 7:00 PM EDT Thursday, July 19, 2012.**

New Year Procurement document activity before **Friday, June 8, 2012** must use non-accounting event types in order to validate and submit into workflow unless your agencies fiscal year 2013 allotments have been loaded to eMARS. Agencies may check the status of their fiscal year 2013 allotments on the eMARS website (<http://finance.ky.gov/internal/emars>).

Ordered by Document Code

Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
AD	Automated Disbursement	Agency	6/29/2012	7/2/2012
CA	Cost Allocation	Agency	7/19/2012 7/19/2012	7/1/2012
CH	Charge Transaction	Agency	7/13/2012	7/1/2012
CR	Cash Receipt (Funds 0100 and 1100)	Treasury	6/29/2012	7/2/2012
CR	Cash Receipt (Funds Non-0100 and Non-1100)	Treasury	7/13/2012	7/2/2012
CT	Contract (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required to RQS)	OPS	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
CT	Contract Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
CT2	Contract 2-Way Match (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required to RQS)	OPS	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
CT2	Contract 2-Way Match Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
CTT1	Contract KYTC (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
CTT1	Contract KYTC Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
CTT2	Contract 2-Way Match KYTC (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
CTT2	Contract 2-Way Match KYTC Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
CWA	Check Writer Accounting	SAS	6/29/2012	7/1/2012
CWI	Check Writer Intercept Transfer	SAS	6/29/2012	7/1/2012

Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
DO	Delivery Order (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
DO	Delivery Order (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
DO2	Delivery Order 2 Way Match (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
DO2	Delivery Order 2 Way Match (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
EFT	Electronic Funds Transfer	Agency	6/29/2012	7/1/2012
EO1	Executive Order	OPS	6/6/2012	
GAX	General Accounting Expense/Expenditure	Agency	7/13/2012	7/1/2012
GAX2	General Accounting Revenue Refund	Agency	7/13/2012	7/1/2012
GAX3	General Accounting Balance Sheet Payable	Agency	7/13/2012	7/1/2012
IA	Inventory/Stock Adjustment	Agency	6/30/2012	7/1/2012
IET	Internal Exchange Transaction	Agency	6/30/2012	7/1/2012
IT	Intercept Transfer	SAS	6/30/2012	7/1/2012
ITA	Internal Transaction Agreement	Agency	6/30/2012	7/1/2012
ITI	Internal Transaction Initiator	Agency	6/30/2012	7/1/2012
JV	Standard Journal Voucher	SAS	7/19/2012/7/19/2012	7/1/2012
JV2E	Cash Expenditure Correction	Agency	7/19/2012/7/19/2012	7/1/2012
JV2IN	Investment Adjustments	SAS	7/19/2012/7/19/2012	7/1/2012
JV2P	Parks Receivable	SAS	7/19/2012/7/19/2012	7/1/2012
JV2R	Cash Coll Earned Rev Corr	Agency	7/19/2012/7/19/2012	7/1/2012
JV2T	Transfer	SAS	7/19/2012/7/19/2012	7/1/2012
JVA	Advanced Journal Voucher	SAS	7/19/2012/7/19/2012	7/1/2012
JVBK	Bank Transfer Journal Voucher	SAS	7/19/2012/7/19/2012	7/1/2012
JVC	Cost Accounting Journal Voucher	SAS	7/19/2012/7/19/2012	7/1/2012
KBUD	KBUD Budget Requests/Modifications	OSBD		5/7/2012
MD	Manual Disbursement	Treasury	7/13/2012	7/1/2012
OB1	Management Budget	Agency	7/19/2012	7/1/2012
OC	Over the Counter Stock Issue	Agency	7/13/2012	7/1/2012
PO	PO, Request for Spec Auth, exception to sealed bid - all purchases and modifications (Allow sufficient time for Rec by 6/30) (*Attach approved EO1 as required)	OPS	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
PO	Purchase Order and Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered

Document Code	Document Description	Final Approval Responsibility	Last Day to Process Old Year	First Day to Process New Year
PO2	MOA/PSC exception as defined by KRS 45A.690 or agency exemption as defined by statute or the LRC – New Year PO2s requiring an effective date of 7/1 (*Attach approved EO1 as required)	OPS	NA	4/2/2012
PO2	MOA/PSC exception as defined by KRS 45A.690 or agency exemption as defined by statute or the LRC – Old Year PO2 modifications for services performed by 6/30 – Place Old Year in Document Description (*Attach approved EO1 as required)	OPS	6/15/2012	NA
PO2	PO2, Request for Spec Auth, exception to sealed bid - all purchases and modifications (Allow sufficient time for Rec by 6/30) (*Attach approved EO1 as required)	OPS	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
PO2	Purchase Order 2 Way Match and Modification (Allow sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	Agency	6/15/2012	5/11/2012 if unencumbered 6/8/2012 if encumbered
PON2	Proof of Necessity Agreement- New Year PSC/MOA requiring an effective date of 7/1 (*Attach approved EO1 as required)	OPS	NA	4/2/2012
PON2	Proof of Necessity Agreement- Old Year PSC/MOA modifications for services performed by 6/30-Place Old Year in Document Description (*Attach approved EO1 as required)	OPS	5/11/2012	NA
PRC	Commodity Based PR (*Attach approved EO1 as required)	Agency	7/13/2012	7/1/2012
PRC2	Commodity Based PR Pro Card (*Attach approved EO1 as required)	Agency	7/13/2012	7/1/2012
PRCI	Commodity Based Internal PR	Agency	7/13/2012	7/1/2012
PRM	Matching PR – Normal (*Attach approved EO1 as required)	Agency	7/13/2012	7/1/2012
PRMI	Matching PR – Internal (*Attach approved EO1 as required)	Agency	7/13/2012	7/1/2012
RC	Receiver	OPS	6/30/2012	7/1/2012
RE	Receivable	Agency	7/13/2012	7/1/2012
RQS	Standard Requisition < \$20,000- all purchases (Allow Sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	5/25/2012	5/11/2012
RQS	Standard Requisition >= \$20,000 all purchases (Allow Sufficient time for Goods Rec by 6/30) (*Attach approved EO1 as required)	OPS	4/6/2012	5/11/2012
TP	Travel Payments	Agency	7/13/2012	7/1/2012

ADDITIONAL COMMENTS

AGENCIES

1. Imprest/Petty Cash Reimbursement Schedules. Final imprest cash reimbursement schedules for fiscal year 2012 must be processed on a GAX document type by close of business Friday, July 13, 2012 in order to charge old year funds. Reimbursements processed after Friday, July 13, 2012 will be charged to fiscal year 2013. Requests for amendments to present authorities should be sent to the Office of Procurement Services.

STATEWIDE ACCOUNTING SERVICES

1. Closing Dates. The Soft Close for accounting period 12/12 will be Saturday, June 30, 2012. The Hard Close will be Monday, July 9, 2012. The Soft Close for accounting period 13/12 will be Friday, July 13, 2012. The Hard Close will be 7:00 PM EDT Thursday, July 19, 2012.
2. Reimbursement Output. Reimbursement Output will be run on Friday, July 6, 2012 for transactions posted through Friday, July 6, 2012.

The chart below describes the accounting periods (i.e. Fiscal Month and Fiscal Year) that apply to documents generated by Reimbursement Output.

	<i>BILLING DATES</i>			
	<i>JUNE 22</i>	<i>JUNE 29</i>	<i>JULY 6</i>	<i>JULY 13</i>
Calendar Dates Covered	06/16-06/22	06/23-06/29	06/30-07/06	07/07-07/13
Open Accounting Periods (and possible transaction acceptance periods)	12/12	12/12	12/12 13/12 01/13	13/12 01/13
RE/CR accounting periods	12/12	12/12	13/12	01/13

3. Cost Allocation. Cost allocation will be run for accounting period 12/12 with the following schedule.
 - CHFS 7-2-2012
 - COT 7-3-2012
 - DMA 7-2-2012
 - OET 7-2-2012
 - GAPS 7-3-2012
4. CA's created from the 12/12 allocation must be posted by COB Monday, July 9, 2012.
5. Cost Allocation. Cost allocation will be run for accounting period 13/11 with the following schedule.
 - CHFS 7-16-2012
 - DMA 7-16-2012
 - OET 7-16-2012
 - GAPS 7-17-2012

6. CA's created from the 13/11 allocation must be posted by COB Thursday, July 19, 2012.

Note: The dates for Cost Allocation outlined in this Schedule pertain to internal allocations in those agencies and are not related to multi-agency billings such as COT, Printing, Fleet, etc...

7. **Encumbrances.** Most budget fiscal year 2012 encumbrances will be liquidated in budget fiscal year 2012 and remaining balances will be established in budget fiscal year 2013 on Saturday, July 7, 2012. None of the encumbrances for capital projects will roll since their budget fiscal year remains the same throughout the life of the project. Encumbrances under \$1,000 for all other funds will not be liquidated and re-established in 2013. Fiscal year 2013 payments against these 2012 encumbrances must be paid on a standalone PRC document with a memo reference to the encumbering document. **We anticipate eMARS to be unavailable Saturday, July 7, 2012 through Sunday, July 8, 2012 in order to complete the encumbrance roll.**

Pending Encumbrance and Expenditure Transactions. All budget fiscal year 2012 pending encumbrance transactions, modifications, and cancellations (other than capital projects) must be posted prior to COB Friday, July 6, 2012 allowing the encumbrance roll to complete. All budget fiscal year 2012 pending expenditure transactions, modifications, and cancellations (other than capital projects) must be posted prior to COB Friday, July 13, 2012 creating final budgetary balances. Any of the above 2012 documents in the pending phase will be rejected back to draft phase after the specified dates.

8. **Annual Financial Report and Annual Inventory.** The Office of Statewide Accounting Services will be requesting closing financial data for the purpose of preparing the Commonwealth's Comprehensive Annual Financial Report in compliance with Generally Accepted Accounting Principles (GAAP). The request will arrive about Friday, May 11, 2012. Since the financial information being requested in the closing package is essentially the same as the last several years, training for the closing package will be offered by request only. Those agencies interested in receiving closing package training should contact Ellen Ballard at (502) 564-7753. Training sessions will be scheduled the week of June 4-8 based on the number of requests received.
9. **Fixed Asset Inventory.** Physical inventories must be performed for items over \$5,000 acquired before Friday, April 27, 2012. Certified inventory reports are due to the Office of Statewide Accounting Services by Friday, June 1, 2012. Physical Inventory Procedures are found at the following website:

<http://finance.ky.gov/ourcabinet/caboff/OOC/inventorycontrol.htm>

10. Because of statutory requirements, the Office of the State Budget Director and the Office of Statewide Accounting Services will not be able to unilaterally increase appropriations during the closing period.

OFFICE OF PROCUREMENT SERVICES

Purchase requests (RQS) for all goods that are not currently on contract that exceed the agency's small purchase limit shall be sent to the Finance and Administrative Cabinet, Office of Procurement Services, no later than Friday, April 6, 2012, for requests equal to or above \$20,000. Requests less than \$20,000 must arrive no later than Friday, May 25, 2012. All Purchase requests (RQS) shall be processed using the same procedures that were implemented by Executive Order 2008-011. The last meeting to obtain Executive Order 2008-011 approval for fiscal year 2012 purchases is Thursday, June 7, 2012; the EO1 form must be submitted to the Office of Procurement Services by noon on Wednesday, June 6, 2012. The agency must allow enough time for the approved disposition to be returned to them and attach it to the header of the RQS. The Finance and Administration Cabinet will not begin processing the RQS until the EO1 request has been approved, with the exception of establishing Master Agreements. **The agency must receive an approved EO1 document before**

the items can be purchased by any method. All items must be received no later than Saturday, June 30, 2012, to be paid out of old year funds. If a purchase for furniture is authorized, the Division of Correctional Industries or the Division of Surplus Property shall be utilized whenever possible.

1. **Purchase Requests (RQS) Equal to or Above \$20,000 (Old Year).** Old Year purchase requests equal to or above \$20,000 must be received by the Office of Procurement Services (OPS) by close of business Friday, April 6, 2012, and delivery must be assured by Saturday, June 30, 2012 in order to be paid out of fiscal year 2012 funds. Purchase requests submitted between now and Friday, April 6, 2012, **should state in the document comments of the purchase request one of two statements: "Delivery is desired prior to June 30, 2012," allowing OPS to award the Contract and if delivery could not be made until after Saturday, June 30, 2012, payment would be made with fiscal year 2013 funds; or "Delivery must be completed prior to June 30, 2012," and if the vendor could not meet the delivery requirement, OPS would not issue a Contract.** *If neither of the above statements is indicated, the purchase request will not be processed until this information is received from the requesting agency. It will be the agency's responsibility to add the appropriate statement to the document comments prior to the Friday, April 6 2012 deadline for fiscal year 2012 funding.* Due to the volume of old year purchase requests received by OPS, agencies are to submit their purchase requests as soon as possible. If an agency delays its requests until just before the deadline, the chances of processing and obtaining deliveries by Saturday, June 30, 2012 are greatly reduced. *Agencies should also ensure that their purchase request provides complete information on the transaction (i.e. adequate specifications, best value criteria, suggested sources (added to the free form vendor section), quantity, estimated price, valid account codes, etc.).* This requirement does not apply to purchase requests for the establishment of master agreements since no encumbrance of funds is involved. Agencies should not submit requests for new year purchases before Friday, May 11, 2012, and must clearly state on the purchase request that delivery is not desired or required prior to July 1, 2012. Place this information in the document comments. All requests must comply with the Executive Order 2008-011 guidelines listed in the introductory paragraphs for this section.
2. **Small Purchase Requests (RQS).** For purchase requests that exceed an agency's small purchase authority, the Office of Procurement Services (OPS) may exercise its Small Purchase Authority, to a maximum of \$20,000, when it can be determined that the purchase will not exceed the estimated amount in accordance with KRS 45A.100. The small purchase request should be received in OPS by close of business Friday, May 25, 2012 in order to allow time for required solicitation of quotations, encumbrance of funds, contract award, and vendor delivery by Saturday, June 30, 2012. Purchase requests submitted between now and Friday, May 25, 2012 **should state in the document comments of the purchase request one of two statements: "Delivery is desired prior to June 30, 2012," allowing OPS to award the Contract and if delivery could not be made until after June 30, 2012, payment would be made with fiscal year 2013 funds; or "Delivery must be completed prior to June 30, 2012," and if the vendor could not meet the delivery requirement, OPS would not issue a Contract.** *If neither of the above statements is indicated, the purchase request will not be processed until this information is received from the requesting agency. It will be the agency's responsibility to add the appropriate statement to the document comments prior to the Friday, May 25, 2012 deadline for fiscal year 2012 funding.* Due to the volume of old year purchase requests received by OPS, agencies are to submit their purchase requests as soon as possible. If an agency delays its requests until just before the deadline, the chances of processing and obtaining deliveries by Saturday, June 30, 2012 are greatly reduced. *Agencies should also ensure that their purchase request provides complete information on the transaction (i.e. adequate specifications, best value criteria, suggested sources, quantity, estimated price, valid account codes, etc.) and has the approved disposition of the Executive Order 2008-011 process attached at the header.* The total aggregate amount cannot be artificially divided by submitting more than one requisition for the same item during the closeout period. This would be in violation of KRS 45A.100(2). Old year small purchase requests totaling \$20,000 or less will be awarded from fiscal year 2012 funds when delivery is guaranteed and completed by Saturday, June

30, 2012. Deliveries made after Saturday, June 30, 2012 will be charged against fiscal year 2013 funds. All requests must comply with the guidelines listed in the introductory paragraphs for this section.

3. Purchase Orders, Requests for Approval for Special Authority, Exception to Sealed Bid. All requests for special authority contracts with a delivery date required before Saturday, June 30, 2012 and payment from old year funds must arrive in the Office of Procurement Services (OPS) by close of business Monday, June 13, 2012 to allow adequate time for services to be performed and goods delivered by the end of the fiscal year. Special authority contracts that are for payment only must arrive in OPS by close of business Friday, June 29, 2012. All requests must comply with the guidelines listed in the introductory paragraphs for this section and with the requirements of the Finance Policies and Procedures Manual. **A copy of the APPROVED EO1 must be attached at the header of all procurement/payment documents, along with all justifications.**
4. Modifications. All requests for changes to contracts issued by the Office of Procurement Services (OPS) that affect old year allotments must arrive in OPS by the close of business Friday, June 29, 2012. Agencies must process changes to their own contracts that affect old year allotments by close of business Friday, June 29, 2012.
5. Personal Service Contracts/Modifications/MOAs for Services performed by Saturday, June 30, 2012. In order to guarantee payment from fiscal year 2012 funds, agencies must submit all PSCs/Modifications/MOAs to the Office of Procurement Services (OPS) by close of business Friday, May 11, 2012 to allow adequate time to process for the June meeting of the Legislative Research Commission (LRC). Agencies that do not process PSCs and MOAs through OPS must submit all PSC's/Modifications/MOAs to LRC not later than Friday, May 25, 2012. PSCs/Modifications/MOAs arriving in OPS after Friday, May 11, 2012 or LRC after Friday, May 25, 2012 will not be processed for approval prior to the end of fiscal year 2012, and shall be paid from fiscal year 2013 funds.

New Personal Service Contracts or MOAs that require an effective date so that services begin on July 1, 2012. Agencies may submit to OPS beginning Monday, April 2, 2012, and no later than Monday, June 18, 2012 to allow adequate time to process for the July meeting of the Legislative Research Commission (LRC). Agencies should plan their contracting schedule taking into consideration the additional review process of their RFPs by the Finance Cabinet which was implemented on February 7, 2011. The RFP shall be submitted at least 7 days prior to the intended RFP "let date" (published date), and a "close date" a minimum of 7 calendar days after the "let date".

FUND BALANCES

1. General Fund. *All General Fund balances at the close of the fiscal year shall lapse to the surplus account of the General Fund, with the exception of statutory or budget bill authorized continued appropriations.*
2. Capital Projects Fund. Capital Projects fund balances (appropriations, allotments, cash, and encumbrances) will remain in the same budget fiscal year. No carry forward entries are required.
3. Road Fund. All Road Fund balances at the close of the fiscal year shall lapse to the surplus account of the Road Fund, with the exception of statutory or budget bill authorized continuing appropriations.
4. All Funds (except Capital Projects Fund). The final period cash report will serve as the ending balance resource as cash is no longer segregated by fiscal year. Agency funds are not allowed to close with negative balances. General Accounting staff will be working with agencies on the week of July 16 to clear these balances. On Friday, July 20, 2012 Statewide Accounting Services personnel will begin final preparations for the Hard Close. All allotment balances except continued appropriations will lapse.

5. Requests for Fund Transfers to the General Fund. Requests for fund transfers to the General Fund must be submitted in writing to the Office of the State Budget Director by close of business Thursday, June 30, 2012.

PERSONNEL

An addendum to the closing memorandum will be provided once final information is available regarding Personnel and Payroll during the closeout period.